

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Clearwater Township	County Kalkaska
Audit Date 3/31/05	Opinion Date 7/21/05	Date Accountant Report Submitted to State: 10/31/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

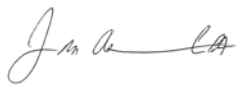
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Anderson & Decker, P.C.				
Street Address P.O. Box 746	Digitally signed by James M. Anderson, CPA DN: cn=James M. Anderson, CPA, c=US, o=Anderson & Decker, PC, email=jma@m33access.com Date: 2005.10.31 11:06:46 -05'00'	City Roscommon	State MI	ZIP 48653
Accountant Signature 	Date 10/31/05			

TOWNSHIP OF CLEARWATER
KALKASKA COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2005

TOWNSHIP OFFICIALS

Supervisor

David Grimm

Clerk

Julie Vance

Treasurer

Sheryl Grimm

TRUSTEES

Bruce Belanger

Elmer Veen

TOWNSHIP OF CLEARWATER

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Anderson & Decker, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

245 Lake Street • P.O. Box 746 • Roscommon, MI 48653
(989) 275-8831

INDEPENDENT AUDITORS' REPORT

July 21, 2005

Township Board
Clearwater Township
Kalkaska County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Clearwater, as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion based on these financial statements on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities, each major fund activity, and the aggregate remaining fund information of the Township of Clearwater, as of March 31, 2005, and the respective changes in financial position thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note B, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of March 31, 2005

The management's discussion and analysis on pages 2-7 and budgetary comparison information on pages 26-33 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

ANDERSON & DECKER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF CLEARWATER MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Clearwater Township (the "Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2005.

Financial Highlights

- . The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$1,122,433 (*net assets*). Of this amount, \$654,209 (*unrestricted net assets*) may be used to meet the Township's ongoing obligations.
- . The Township's total net assets increased by \$138,253.
- . As of the close of the current fiscal year, the Township's general fund, reported an ending fund balance of \$433,227, a decrease of \$32,668 in comparison with the prior year.
- . At the end of the current fiscal year, unreserved fund balance for the general fund was \$433,227 or 113% of total general expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements consist of three components: 1)Government-wide financial statements, 2)Fund financial statements, and 3)Notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The *Government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

TOWNSHIP OF CLEARWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Both of the Government-wide financial statements present functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Township include general government, public safety, public works, and other. The Township does not have any business-type activities as of and for the year ended March 31, 2005.

The Government-wide financial statements can be found on pages 8-9 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the Government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains three governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Fire, and Public Improvement Funds.

The Township adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements or schedules have been provided for the governmental funds herein to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 10-13 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are *not* reflected in the Government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

TOWNSHIP OF CLEARWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-25 of this report.

Government-wide Financial Analysis

(Because this is the first year of implementation of Governmental Accounting Standards Board Statement No. 34, which requires, which requires this new reporting model, the following tables present only current year data. In future years, when prior-year information is available, comparative analysis of Township-wide data will be presented.)

A portion of the Township's net assets (42%) reflects its investments in capital assets (e.g., land, land improvements, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to the community; consequently, these assets are *not* available for future spending.

Township's Net Assets

	<u>Governmental Activities</u>
Current and Other Assets	\$ 662,639
Capital Assets, Net	<u>468,224</u>
Total Assets	1,130,863
Current Liabilities	<u>8,430</u>
Total Liabilities	8,430
Net Assets:	
Invested in Capital Assets, Net	
Of Related Debt	468,224
Unrestricted	<u>654,209</u>
Total Net Assets	<u><u>\$ 1,122,433</u></u>

TOWNSHIP OF CLEARWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The Township's net assets increased by \$138,253 during the current fiscal year. Unrestricted net assets - the part of net assets that can be used to finance day to day operations, increased by \$12,199 or 2%, during fiscal year 2005.

Township's Changes in Net Assets

	<u>Governmental Activities</u>
Revenue:	
Program Revenue:	
Charges for services	\$ 54,233
Capital Grants and Contributions	60,402
General Revenue:	
Property Taxes	147,496
State-Shared Revenues	164,238
Interest and Rent Earnings	12,940
Other	<u>7,127</u>
Total Revenue	<u>446,436</u>
Expenses:	
General Government	185,861
Public Safety	90,078
Public Works	10,804
Health and Welfare	1,427
Recreation and Culture	<u>20,013</u>
Total Expenses	<u>308,183</u>
Increase in Net Assets	138,253
Net Assets, Beginning of Year	<u>984,180</u>
Net Assets, End of Year	<u><u>\$ 1,122,433</u></u>

Governmental activities. The Township's total governmental revenues increased by \$47,922 from last fiscal year. This was primarily attributed to additional revenue from the park grant and contributions. Expenses increased by \$71,487. The increase was primarily due to the park capital improvements.

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

TOWNSHIP OF CLEARWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$654,209, an increase of \$12,199 in comparison with the prior year. The *undesignated fund balance*, which is available for spending at the Township's discretion, constitutes 100% of this total amount.

The primary governmental fund is the General Fund of the Township. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Undesignated fund balance represents 113% of total general fund expenditures.

The fund balance of the General Fund decreased by \$32,668 during the current fiscal year.

General Fund Budgetary Highlights

The Township's budgets are prepared in accordance with Michigan Law. The budgeted funds are the General, Fire, and Public Improvement Funds.

Capital Assets and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental activities as of March 31, 2005, amounted to \$468,224 (net of accumulated depreciation). Investment in capital assets includes land, land improvements, buildings, and equipment. Additions totaled \$126,054 for the fiscal year.

Township's Capital Assets
(net of depreciation)

Land	\$ 23,816
Buildings and Improvements	326,095
Machinery and Equipment	<u>118,313</u>
Total	<u><u>\$ 468,224</u></u>

Additional information on the Township's capital assets can be found in note E on page 22 of this report.

TOWNSHIP OF CLEARWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Factors Bearing on the Township's Future

The following factors were considered in preparing the Township's budget for the 2005-2006 fiscal year:

- . The State of Michigan has made significant cuts in their operating budgets due to a down turn of the economy. For 2004-2005, the Township received \$161,372 in state shared revenues, representing 46% of the revenues in the General Fund. The amounts of state shared revenues for future periods is uncertain and will affect the Township's budget.
- . The building of new roads, sidewalks and lighting in the Rapid City area. This will help improve accessibility while making the township and attractive place to live.
- . To retain the Rapid City Elementary School by increasing its population.
- . Creating more recreational opportunities while preserving our access sites to Torch Lake and our parks while improving accessibility and opportunity for all.
- . To promote our residential areas by encouraging development through good planning practices.
- . To help our business community by creating more commercial zones through planning.
- . To continue to construct a Recreational Complex at the Rapid City Road location.
- . To present a millage request to the voters of the township for construction of roads in the outlying areas of Clearwater Township.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Clearwater Township
P.O. Box 1
Kalkaska, MI 49676

TOWNSHIP OF CLEARWATER
STATEMENT OF NET ASSETS
MARCH 31, 2005

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 454,863
Receivables:	
Taxes Receivable	182,623
Other Governmental Units	<u>25,153</u>
Total Current Assets	662,639
Non-Current Assets:	
Capital Assets - Net	<u>468,224</u>
Total Assets	<u>1,130,863</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	5,052
Accrued liabilities	<u>3,378</u>
Total Current Liabilities	<u>8,430</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	468,224
Unrestricted	<u>654,209</u>
Total Net Assets	<u>\$ 1,122,433</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CLEARWATER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
GOVERNMENTAL ACTIVITIES					
General	\$ (185,861)	\$ 53,633	\$ -0-	\$ -0-	\$ (132,228)
Public Safety	(90,078)	600	-0-	-0-	(89,478)
Public Works	(10,804)	-0-	-0-	-0-	(10,804)
Health and Welfare	(1,427)	-0-	-0-	-0-	(1,427)
Recreation and Culture	(20,013)	-0-	-0-	60,402	40,389
Total Governmental Activities	<u>\$ (308,183)</u>	<u>\$ 54,233</u>	<u>\$ -0-</u>	<u>\$ 60,402</u>	<u>(193,548)</u>
GENERAL REVENUES					
Property Taxes Levied for:					
General Purpose					64,636
Public Safety					82,860
State Shared Revenue not restricted to specific purposes					164,238
Miscellaneous					12,940
Investment Earnings					<u>7,127</u>
Total General Revenues					<u>331,801</u>
Change in Net Assets					138,253
Net Assets - April 1					<u>984,180</u>
Net Assets - March 31					<u>\$ 1,122,433</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CLEARWATER
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2005

ASSETS	<u>General</u>	<u>Fire</u>
Cash and investments	\$ 313,763	\$ 2,298
Taxes receivable	99,799	82,824
Due from other Governmental Units	25,153	-0-
Due from other funds	<u>8,284</u>	<u>7,321</u>
Total Assets	<u>\$ 446,999</u>	<u>\$ 92,443</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 4,317	\$ 735
Accrued liabilities	2,134	1,244
Due to other funds	<u>7,321</u>	<u>8,284</u>
Total Liabilities	<u>13,772</u>	<u>10,263</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>433,227</u>	<u>82,180</u>
Total Fund Equity	<u>433,227</u>	<u>82,180</u>
Total Liabilities and Fund Equity	<u>\$ 446,999</u>	<u>\$ 92,443</u>

The accompanying notes are an integral part of these financial statements.

<u>Public Improvement</u>	<u>Totals</u>
\$ 138,802	\$ 454,863
-0-	182,623
-0-	25,153
<u>-0-</u>	<u>15,605</u>
<u>\$ 138,802</u>	<u>\$ 678,244</u>

\$ -0-	\$ 5,052
-0-	3,378
<u>-0-</u>	<u>15,605</u>
<u>-0-</u>	<u>24,035</u>

<u>138,802</u>	<u>654,209</u>
<u>138,802</u>	<u>654,209</u>
<u>\$ 138,802</u>	<u>\$ 678,244</u>

TOWNSHIP OF CLEARWATER
RECONCILIATION OF FUND BALANCES ON BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS
MARCH 31, 2005

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES	\$ 654,209
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Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities
are not current financial resources and therefore
are not recorded in the funds. This represents
the amounts by which capital assets used in
governmental funds exceeds accumulated
depreciation.

468,224

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,122,433</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CLEARWATER
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2005

	General	Fire	Public Improvement	Totals
Revenues:				
Taxes and assessments	\$ 64,635	\$ 82,861	\$ -0-	\$ 147,496
Intergovernmental	182,630	-0-	-0-	182,630
Charges for services	51,138	-0-	-0-	51,138
Licenses and permits	3,095	-0-	-0-	3,095
Interest	5,293	439	1,395	7,127
Other	44,643	9,992	315	54,950
Total Revenues	<u>351,434</u>	<u>93,292</u>	<u>1,710</u>	<u>446,436</u>
Expenditures:				
General government	208,266	-0-	-0-	208,266
Fire	-0-	91,235	-0-	91,235
Public safety	14,458	-0-	-0-	14,458
Public works	10,804	-0-	-0-	10,804
Health and welfare	1,427	-0-	-0-	1,427
Recreation	108,047	-0-	-0-	108,047
Total Expenditures	<u>343,002</u>	<u>91,235</u>	<u>-0-</u>	<u>434,237</u>
Excess:				
Revenue over (under) expenditures	<u>8,432</u>	<u>2,057</u>	<u>1,710</u>	<u>12,199</u>
Other financing sources (uses):				
Operating transfers in	-0-	21,100	20,000	41,100
Operating transfers (out)	<u>(41,100)</u>	<u>-0-</u>	<u>-0-</u>	<u>(41,100)</u>
Total Other Financing Sources (Uses)	<u>(41,100)</u>	<u>21,100</u>	<u>20,000</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures and other Uses	<u>(32,668)</u>	<u>23,157</u>	<u>21,710</u>	<u>12,199</u>
Fund Balance - April 1	444,272	59,023	117,092	620,387
Prior Period Adjustment	<u>21,623</u>	<u>-0-</u>	<u>-0-</u>	<u>21,623</u>
Fund Balance - April (restated)	<u>465,895</u>	<u>59,023</u>	<u>117,092</u>	<u>642,010</u>
Fund Balance - March 31	<u>\$ 433,227</u>	<u>\$ 82,180</u>	<u>\$ 138,802</u>	<u>\$ 654,209</u>

The accompanying notes are and integral part of the financial statements.

TOWNSHIP OF CLEARWATER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2005

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 12,199

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.
However in the statement of activities, the cost of these
assets are capitalized and depreciation charged to expense
over their useful life.

126,054

CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES \$ 138,253

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CLEARWATER
STATEMENT OF FIDUCIARY NET ASSETS
MARCH 31, 2005

	ASSETS	
Cash and Investments		\$ <u>166,665</u>
	LIABILITIES	
Undistributed Collections		<u>166,665</u>
Total Liabilities		<u>166,665</u>
	NET ASSETS	
Net Assets		\$ <u><u>-0-</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CLEARWATER
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED MARCH 31, 2005

REVENUES	
Property Tax Collections	\$ 2,327,247
Interest and Fee Collections	<u>34,966</u>
Total Revenues	<u>2,362,213</u>
EXPENDITURES	
Property Taxes	2,327,247
Other	<u>34,966</u>
Total Expenditures	<u>2,362,213</u>
Excess of Revenues over Expenditures	-0-
Net Assets - April 1	<u>-0-</u>
Net Assets - March 31	<u><u>\$ -0-</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CLEARWATER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2005

NOTE A: ENTITY

The Township of Clearwater is a general law township of the state of Michigan located in Kalkaska County, Michigan. It operates under an elected board and provides services to its residents in many areas including liquor law enforcement, community enrichment, and human services. As required by generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement no. 14 "The Financial Reporting Entity", these financial statements present the Township of Clearwater (primary government) and its component units. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Clearwater conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2004, the Township adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - And Management's Discussion and Analysis - for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS: The government-wide financial statements (i.e., the statements of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* are charged based upon a Township-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWNSHIP OF CLEARWATER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION: The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and select compensated absences are recorded only when payment is due.

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports following major governmental funds:

The *General Fund* is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Fire Fund* is used to account for all financial activity related to the Township's capital investments. The main source of revenue is derived from property taxes.

The *Public Improvement* is used to account for activity related to the Township's capital investments. The major source of revenue is from General Fund transfers and interest.

TOWNSHIP OF CLEARWATER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The Township does not maintain any non-major governmental funds as of March 31, 2005:

Additionally, the Township reports the following fund types:

Agency Funds are used to account for assets held on behalf of outside parties, including other governments.

Property tax revenues are recognized as follows:

Properties are assessed as of December 31 and the related property taxes are levied on December 1 of the following year. These taxes are due on February 15; uncollected amounts are subsequently added to the county delinquent tax rolls. A county revolving fund normally pays the balance of the Township's tax levy by May 31 of each year. In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records the property tax revenue when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 1, 2004, are recorded as revenue in the current year. The Township's taxable value for the 2004 tax year totaled \$84,821,851.

The tax rates for the year ended March 31, 2005, were as follows:

<u>PURPOSE</u>	<u>RATE/ASSESSED VALUATION</u>
General	0.7607 mills per \$1,000
Fire	0.9782 mills per \$1,000

BUDGETS - Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the Township for budgetary funds were adopted on a fund level. Budgets are normally formulated during January and February of each year and a budget hearing is held in March. The board normally adopts the budget just prior to April 1. Amendments are made to the budgets when determined to be necessary throughout the year. Unused appropriations for budgeted activities lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWNSHIP OF CLEARWATER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exists. Donated capital assets are valued at their estimated fair value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

Depreciation on the capital assets (including infrastructure), is computed using the straight-line or sum-of-the-years digits method over the following estimated useful lives:

	<u>Years</u>
Land improvements	20
Buildings	30-50
Public domain infrastructure	8-50
Equipment	3-20

LONG-TERM OBLIGATIONS - In the government-wide financial statements, the long-term debt and other long-term obligations are reported as liabilities. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWNSHIP OF CLEARWATER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE C - CASH AND INVESTMENTS

The balance sheet accounts and types of cash items are presented below:

<u>Balance Sheet Accounts</u>	<u>Amount</u>	<u>Cash Items</u>	<u>Amount</u>
Cash and investments	\$ 454,863	Checking and Savings Account	\$ 301,631
		CD's	153,232
Total	<u>\$ 454,863</u>	Total	<u>\$ 454,863</u>

Deposits - At year-end, the carrying amount of the Township's deposits was \$454,863 and the bank balance was \$462,272. According to Section 330.8 of the Federal Deposit Insurance Corporation Rules and Regulations, 62% of the total bank balance was covered by federal depository insurance.

The Government Accounting Standards Board Statement No. 3 risk disclosures for South Branch Township's cash deposits are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 285,156	\$ 285,156
Uninsured and Uncollateralized	169,707	177,116
Total Deposits	<u>\$ 454,863</u>	<u>\$ 462,272</u>

Investments - P.A. 20 of 1943, authorizes the Township to deposit and invest in the following:

- a. Bonds and other direct obligations of the United States or its agencies.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the national credit union administration that are eligible to be depository of surplus money belonging to the State under section 5 or 6 of act 105, PA 1855, as amended (MCL 21.145 and 21.146).
- c. Commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase.
- d. United States governmental or Federal agency obligation repurchase agreements.
- e. Bankers' acceptance of United States banks.
- f. Mutual funds composed of investments which are legal for direct investments by local units of government in Michigan.

TOWNSHIP OF CLEARWATER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE D - DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units consists of amounts due from the State of Michigan of \$25,153.

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2005 was as follows:

<u>Primary Government</u>	<u>Beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>
Governmental activities:				
Land	<u>\$ 23,816</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 23,816</u>
Total capital Assets, not being depreciated	<u>23,816</u>	<u>-0-</u>	<u>-0-</u>	<u>23,816</u>
Capital assets, being depreciated:				
Building and improvements	254,956	113,640	-0-	368,596
Machinery and equipment	<u>132,680</u>	<u>39,256</u>	<u>-0-</u>	<u>171,936</u>
Total capital assets, being depreciated	<u>387,636</u>	<u>152,896</u>	<u>-0-</u>	<u>540,532</u>
Less accumulated depreciation for:				
Buildings and improvements	31,728	10,773	-0-	42,501
Machinery and equipment	<u>37,554</u>	<u>16,069</u>	<u>-0-</u>	<u>53,623</u>
Total accumulated depreciation	<u>69,282</u>	<u>26,842</u>	<u>-0-</u>	<u>96,124</u>
Net capital assets, being depreciated	<u>318,354</u>	<u>126,054</u>	<u>-0-</u>	<u>444,408</u>
Net governmental activities capital assets	<u>\$ 342,170</u>	<u>\$ 126,054</u>	<u>\$ -0-</u>	<u>\$ 468,224</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 8,601
Public safety	13,726
Recreation	<u>4,515</u>
Total depreciation expense - governmental activities	<u>\$ 26,842</u>

TOWNSHIP OF CLEARWATER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2005

NOTE F - PARTIAL SELF-INSURANCE

The Township is a member of the Michigan Municipal Risk Management Authority. As a member of the Authority, the Township is partially self-insured for general and auto liability, motor vehicle physical damage and property loss claims. Under most circumstances, the municipality's maximum coverage is limited as follows:

<u>Type</u>	<u>Limit</u>	<u>Deductible</u>
Property	\$ 1,016,508	100
Liability	5,000,000	-0-
Errors and Omission	4,000,000	-0-
Automobiles	3,000,000	100
Crime	10,000	-0-
Inland Marine	95,500	100
Workmen's Compensation	STATUTORY	-0-

NOTE G - PENSION PLANS

Plan Description

Clearwater Township participates in a defined benefit retirement plan administered by the Michigan Municipal Employees Retirement System, (MERS). The Townships payroll for the 1 member covered by the system for the year ended December 31, 2004 was \$28,380.

The Municipal Employees Retirement System of Michigan (MERS) is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits, on a voluntary basis to the State's local government employees in the most efficient and effective manner possible. As such, MERS is a non-profit entity qualified under section 401(a) of the Internal Revenue Code, which has the responsibility of administering the law in accordance with the expressed intent of the Legislature and bears a fiduciary obligation to the State of Michigan, the taxpayers and the public employees who are its beneficiaries.

The passage of HB-5525/Act No. 220, with enactment on May 28, 1996, allowed the members of MERS to vote on and determine if MERS should become an independent public corporation. The vote resulted in approval to become independent of State control and MERS began to operate as an independent public corporation effective August 15, 1996. MERS issues a financial report, available to the public, that includes financial statements and required supplementary information for the system. A copy of the report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

TOWNSHIP OF CLEARWATER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2005

NOTE G - PENSION PLANS (CONTINUED)

All full time Township employees are eligible to participate in the system. Benefits vest after ten years of service. Township employees who retire at or after age 60 with 10 years credited service or 50 with 25 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of the members's 3-year final average compensation with a maximum benefit of 80% of the 3-year final average compensation. The system also provides death and disability benefits which are established by the State Statute.

Actuarial Accrued Liability - The actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 2004. Significant actuarial assumptions used in determining the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 4.2% per year, depending on age, attributable to seniority/merit and (d) the assumption that benefits will increase 2.5% annually after retirement.

All entries are based on the actuarial methods and assumption that were used in the December 31, 2004 actuarial valuation to determine the annual employer contribution amounts. The entry age normal actuarial methods was used to determine the entries at disclosure.

GASB 25 INFORMATION (as of 12/31/04)

Actuarial Accrued Liability:

Retirees and beneficiaries currently receiving benefits	\$ -0-
Terminated employees not yet receiving benefits	-0-
Current Employees:	
Accumulated employee contributions including allocated investment income	-0-
Employer financed	<u>26,788</u>
Total actuarial accrued liability	26,788
Net assets available for benefits, at actuarial value (Market value is \$17,258)	<u>17,680</u>
Unfunded (over funded) actuarial accrued liability	<u>\$ 9,108</u>

GASB 27 INFORMATION (as of 12/31/04)

Fiscal year beginning	April 1, 2006
Annual required contribution (ARC)	\$ 4,812
Amortization factor used	.053632

TOWNSHIP OF CLEARWATER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2005

NOTE G - PENSION PLANS (CONTINUED)

Contributions Required and Contributions Made - MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the fiscal year ended December 31, 2004 were determined using the entry age normal actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years. The following table provides a schedule of contribution amounts and percentages for recent years.

Annual Pension Cost

<u>Year Ended March 31,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2002	\$ 5,588	100%	\$ -0-
2003	3,677	100%	-0-
2004	4,259	100%	-0-

The Township's was required to contribute \$4,812 for the year ended March 31, 2005. Payments were based on contribution calculations made by MERS.

Aggregate Accrued Liabilities - Comparative Schedule

<u>Actuarial Valuation Date December 31</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % Of Covered Payroll</u>
2002	\$ 7,033	\$ 7,120	\$ 117	98%	\$ 17,890	1%
2003	12,155	16,619	4,464	73%	26,170	17%
2004	17,680	26,788	9,108	66%	28,380	32%

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

TOWNSHIP OF CLEARWATER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes and Assessments:				
General property taxes	\$ 61,000	\$ 61,000	\$ 64,635	\$ 3,635
Total Taxes and Assessments	<u>61,000</u>	<u>61,000</u>	<u>64,635</u>	<u>3,635</u>
Intergovernmental:				
PILT	-0-	-0-	880	880
State shared revenues	103,000	103,000	161,372	58,372
State swamp tax	2,000	2,000	1,986	(14)
State capital grant	<u>-0-</u>	<u>-0-</u>	<u>18,392</u>	<u>18,392</u>
Total Intergovernmental	<u>105,000</u>	<u>105,000</u>	<u>182,630</u>	<u>77,630</u>
Charges for Services:				
Fees	36,300	36,300	49,526	13,226
Rent	<u>1,000</u>	<u>1,000</u>	<u>1,612</u>	<u>612</u>
Total Charges for Services	<u>37,300</u>	<u>37,300</u>	<u>51,138</u>	<u>13,838</u>
Licenses and Permits	<u>2,500</u>	<u>2,500</u>	<u>3,095</u>	<u>595</u>
Interest	<u>6,000</u>	<u>6,000</u>	<u>5,293</u>	<u>(707)</u>
Other:				
Private Contributions	-0-	-0-	42,010	42,010
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>2,633</u>	<u>1,633</u>
Total Other	<u>1,000</u>	<u>1,000</u>	<u>44,643</u>	<u>43,643</u>
Total Revenue	<u>212,800</u>	<u>212,800</u>	<u>351,434</u>	<u>138,634</u>

TOWNSHIP OF CLEARWATER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government				
Township Board:				
Salaries-board	\$ 4,000	\$ 4,000	\$ 3,000	\$ 1,000
Payroll taxes	9,000	9,000	7,440	1,560
Legal fees	7,500	7,500	1,933	5,567
Professional services	5,000	5,000	6,443	(1,443)
Mileage	200	200	-0-	200
Insurance	10,000	10,000	9,758	242
Printing and publishing	2,500	2,500	274	2,226
Office supplies	3,000	3,000	7,510	(4,510)
Education/training	500	500	-0-	500
Equipment	<u>8,000</u>	<u>3,000</u>	<u>4,921</u>	<u>(1,921)</u>
Total Township Board	<u>49,700</u>	<u>44,700</u>	<u>41,279</u>	<u>3,421</u>
Township Supervisor:				
Salary	20,000	20,000	20,000	-0-
Wages - deputy	500	500	-0-	500
Professional services	1,000	1,000	-0-	1,000
Contract services	300	300	-0-	300
Mileage	200	200	-0-	200
Office supplies	2,000	2,000	1,589	411
Education/training	300	300	389	(89)
Equipment	<u>1,000</u>	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
Total Township Supervisor	<u>25,300</u>	<u>25,300</u>	<u>21,978</u>	<u>3,322</u>
Township Assessor:				
Office supplies	<u>-0-</u>	<u>-0-</u>	<u>472</u>	<u>(472)</u>
Total Township Assessor	<u>-0-</u>	<u>-0-</u>	<u>472</u>	<u>(472)</u>

TOWNSHIP OF CLEARWATER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government (continued)				
Election Board:				
Services	\$ 3,000	\$ 5,000	\$ 7,150	\$ (2,150)
Mileage	300	300	224	76
Office supplies	1,500	1,500	-0-	1,500
Professional services	500	500	-0-	500
Printing and publishing	100	100	203	(103)
Education/training	1,000	1,000	-0-	1,000
Repairs and maintenance	<u>-0-</u>	<u>-0-</u>	<u>538</u>	<u>(538)</u>
Total Election Board	<u>6,400</u>	<u>8,400</u>	<u>8,115</u>	<u>285</u>
Township Clerk:				
Salary - clerk	10,000	10,000	10,000	-0-
Salary - deputy	8,000	8,000	7,275	725
Professional services	400	400	-0-	400
Mileage	500	500	96	404
Office supplies	500	500	23	477
Printing and publishing	200	200	12	188
Education/training	1,000	1,000	-0-	1,000
Equipment	<u>500</u>	<u>500</u>	<u>-0-</u>	<u>500</u>
Total Township Clerk	<u>21,100</u>	<u>21,100</u>	<u>17,406</u>	<u>3,694</u>
Township Treasurer:				
Salary - treasurer	12,500	12,500	12,500	-0-
Salary - deputy	5,000	5,000	4,353	647
Professional services	500	500	-0-	500
Mileage	500	500	260	240
Office supplies	500	500	95	405
Printing and publishing	4,900	4,900	3,491	1,409
Education/training	500	500	259	241
Equipment	<u>500</u>	<u>500</u>	<u>-0-</u>	<u>500</u>
Total Township Treasurer	<u>24,900</u>	<u>24,900</u>	<u>20,958</u>	<u>3,942</u>
Board of Review:				
Salaries	2,000	2,000	820	1,180
Mileage	-0-	-0-	50	(50)
Office supplies	-0-	2,000	2,903	(903)
Printing and publishing	<u>100</u>	<u>100</u>	<u>43</u>	<u>57</u>
Total Board of Review	<u>2,100</u>	<u>4,100</u>	<u>3,816</u>	<u>284</u>

TOWNSHIP OF CLEARWATER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government (continued)				
Township Hall:				
Custodial wages	\$ 14,200	\$ 14,200	\$ 11,792	\$ 2,408
Retirement	1,500	1,500	8,705	(7,205)
Mileage	500	500	-0-	500
Contract services	7,500	7,500	5,946	1,554
Supplies	2,000	2,000	1,299	701
Utilities	8,500	8,500	7,486	1,014
Repairs and maintenance	34,500	29,500	10,561	18,939
Equipment/building	<u>13,000</u>	<u>13,000</u>	<u>26,085</u>	<u>(13,085)</u>
Total Township Hall	<u>81,700</u>	<u>76,700</u>	<u>71,874</u>	<u>4,826</u>
Community Center:				
Maintenance wages	3,000	3,000	1,859	1,141
Retirement	1,500	1,500	-0-	1,500
Mileage	100	100	-0-	100
Contract services	200	200	-0-	200
Supplies	850	850	333	517
Utilities	3,100	3,100	2,462	638
Repairs and maintenance	4,000	-0-	1,100	(1,100)
Equipment/building	<u>1,500</u>	<u>1,500</u>	<u>-0-</u>	<u>1,500</u>
Total Community Center	<u>14,250</u>	<u>10,250</u>	<u>5,754</u>	<u>4,496</u>
Cemetery:				
Maintenance wages	3,000	3,000	1,584	1,416
Retirement	1,500	1,500	74	1,426
Contract services	4,000	-0-	-0-	-0-
Supplies	-0-	-0-	106	(106)
Utilities	250	250	223	27
Repairs and maintenance	5,000	5,000	3,420	1,580
Equipment/building	<u>2,000</u>	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
Total Cemetery	<u>15,750</u>	<u>10,750</u>	<u>5,407</u>	<u>5,343</u>
Zoning:				
Salaries	12,500	10,500	9,770	730
Mileage	300	300	332	(32)
Legal	2,000	2,000	-0-	2,000
Professional services	1,500	1,500	558	942
Office supplies	-0-	-0-	243	(243)
Printing & publishing	1,000	1,000	304	696
Education/training	<u>1,000</u>	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
Total Zoning	<u>18,300</u>	<u>16,300</u>	<u>11,207</u>	<u>5,093</u>
Total General Government	<u>259,500</u>	<u>242,500</u>	<u>208,266</u>	<u>34,234</u>

TOWNSHIP OF CLEARWATER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Public Safety:				
Police patrol	\$ 15,000	\$ 17,000	\$ 14,458	\$ 2,542
Total Public Safety	<u>15,000</u>	<u>17,000</u>	<u>14,458</u>	<u>2,542</u>
Public Works:				
Street light utilities	9,000	9,000	6,029	2,971
Repairs and maintenance	<u>6,000</u>	<u>6,000</u>	<u>4,775</u>	<u>1,225</u>
Total Public Works	<u>15,000</u>	<u>15,000</u>	<u>10,804</u>	<u>4,196</u>
Health and Welfare				
Hospital services	1,000	1,000	787	213
Health representation	<u>2,300</u>	<u>2,300</u>	<u>640</u>	<u>1,660</u>
Total Health and Welfare	<u>3,300</u>	<u>3,300</u>	<u>1,427</u>	<u>1,873</u>
Recreation:				
Custodian wages	12,000	12,000	13,203	(1,203)
Retirement	1,500	1,500	-0-	1,500
Supplies	-0-	-0-	37	(37)
Contract services	3,500	3,500	-0-	3,500
Utilities	2,000	2,000	1,777	223
Repairs and maintenance	4,000	4,000	481	3,519
Capital outlay	<u>50,000</u>	<u>90,000</u>	<u>92,549</u>	<u>(2,549)</u>
Total Recreation	<u>73,000</u>	<u>113,000</u>	<u>108,047</u>	<u>4,953</u>
Total Expenditures	<u>365,800</u>	<u>390,800</u>	<u>343,002</u>	<u>47,798</u>

TOWNSHIP OF CLEARWATER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

Excess:

Revenues over (under) expenditures	<u>\$ (153,000)</u>	<u>\$ (178,000)</u>	<u>\$ 8,432</u>	<u>\$ 186,432</u>
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Other Financing Sources (Uses):

Operating transfers out	<u>(47,000)</u>	<u>(22,000)</u>	<u>(41,100)</u>	<u>(19,100)</u>
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Total Other Financing Sources (Uses)	<u>(47,000)</u>	<u>(22,000)</u>	<u>(41,100)</u>	<u>(19,100)</u>
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Excess:

Revenue and other financing sources over (under) expenditures and other financing uses	<u>(200,000)</u>	<u>(200,000)</u>	<u>(32,668)</u>	<u>167,332</u>
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Fund Balance - April 1	444,272	444,272	444,272	-0-
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Prior Period Adjustment	<u>-0-</u>	<u>-0-</u>	<u>21,623</u>	<u>21,623</u>
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Fund Balance - April 1 (restated)	<u>444,272</u>	<u>444,272</u>	<u>465,895</u>	<u>21,623</u>
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Fund Balance - March 31	<u>\$ 244,272</u>	<u>\$ 244,272</u>	<u>\$ 433,227</u>	<u>\$ 188,955</u>
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TOWNSHIP OF CLEARWATER
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ 78,000	\$ 78,000	\$ 82,861	\$ 4,861
Interest	500	500	439	(61)
Other	<u>8,200</u>	<u>8,200</u>	<u>9,992</u>	<u>1,792</u>
Total Revenues	<u>86,700</u>	<u>86,700</u>	<u>93,292</u>	<u>6,592</u>
Expenditures:				
Personal service	20,000	20,000	24,377	(4,377)
Fringe benefits	1,900	1,900	3,588	(1,688)
Utilities	6,000	6,000	5,847	153
Vehicle	4,000	4,000	3,121	879
Office supplies	600	600	2,385	(1,785)
Training & education	3,000	3,000	395	2,605
Insurance	9,000	9,000	8,930	70
Supplies/repairs/maintenance	28,000	28,000	13,251	14,749
Equipment/building	<u>29,200</u>	<u>29,200</u>	<u>29,341</u>	<u>(141)</u>
Total Expenditures	<u>101,700</u>	<u>101,700</u>	<u>91,235</u>	<u>10,465</u>
Excess:				
Revenues over (under) expenditures	<u>(15,000)</u>	<u>(15,000)</u>	<u>2,057</u>	<u>17,057</u>
Other Financing Sources (uses):				
Operating Transfer In	<u>-0-</u>	<u>-0-</u>	<u>21,100</u>	<u>21,100</u>
Total Other Financing Sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>21,100</u>	<u>21,100</u>
Excess:				
Revenues & other financing sources over (under) expenditures	(15,000)	(15,000)	23,157	38,157
Fund Balance - April 1	<u>59,023</u>	<u>59,023</u>	<u>59,023</u>	<u>-0-</u>
Fund Balance - March 31	<u>\$ 44,023</u>	<u>\$ 44,023</u>	<u>\$ 82,180</u>	<u>\$ 38,157</u>

TOWNSHIP OF CLEARWATER
PUBLIC IMPROVEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Interest	\$ 500	\$ 500	\$ 1,395	\$ 895
Other	<u>-0-</u>	<u>-0-</u>	<u>315</u>	<u>315</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>1,710</u>	<u>1,210</u>
Expenditures:				
Capital outlay	<u>137,500</u>	<u>137,500</u>	<u>-0-</u>	<u>137,500</u>
Total Expenditures	<u>137,500</u>	<u>137,500</u>	<u>-0-</u>	<u>137,500</u>
Excess:				
Revenues over (under) expenditures	<u>(137,000)</u>	<u>(137,000)</u>	<u>1,710</u>	<u>138,710</u>
Other Financing Sources (uses):				
Operating Transfer In	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-0-</u>
Total Other Financing Sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-0-</u>
Excess:				
Revenues & other financing sources over (under) expenditures	<u>(117,000)</u>	<u>(117,000)</u>	<u>21,710</u>	<u>138,710</u>
Fund Balance - April 1	<u>117,092</u>	<u>117,092</u>	<u>117,092</u>	<u>-0-</u>
Fund Balance - March 31	<u>\$ 92</u>	<u>\$ 92</u>	<u>\$ 138,802</u>	<u>\$ 138,710</u>